

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 FS-01 COME-00 /023 R

EXIMBANK

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XMB: R. D. CRAFTON
ARA/AND:DWCOX
-----102152Z 026751 /64
O 102129Z JUN 77
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA IMMEDIATE

LIMITED OFFICIAL USE STATE 134936

E.O. 11652: N/A

TAGS: EGEN CO

SUBJECT: CORPORACION ELECTRICA DE LA COSTA ATLANTICA
(CORELCA) - P.C. NO. 77-0-3951 - SALE OF THREE 66MW STEAM
TURBINE GENERATOR SETS FOR INSTALLATION AT BARRANQUILLA
AND CARTAGENA.

1. ON 6/3/77, EXIMBANK AMENDED PRELIMINARY COMMITMENT
ISSUED IN FAVOR OF WESTINGHOUSE ELECTRIC CORPORATION AS
FOLLOWS: CONTRACT PRICE - DOLLARS 80.0 MILLION; 15 PER-
CENT CASH PAYMENT WITH THE REMAINING PORTION FINANCED
THROUGH AN 80 PERCENT EXIMBANK DIRECT LOAN AT 7.75 PERCENT
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INTEREST RATE AND A 5 PERCENT PRIVATE SOURCED LOAN WITHOUT
EXIMBANK GUARANTEE. REPAYMENT TERM OF 16 SEMIANNUAL IN-
STALLMENTS BEGINNING 6 MONTHS AFTER STARTUP REMAINS UN-
CHANGED.

2. WESTINGHOUSE HAS REQUESTED THAT AMENDED FINANCING PLAN
REMAIN CONFIDENTIAL. FURTHER, EXIMBANK WAS INFORMED THAT
SUPPLIERS CANNOT OFFICIALLY AMEND THEIR BID PROPOSALS AND
THEREFORE WESTINGHOUSE WILL INFORM CORELCA OF NEW FINANC-

ING PLAN AND OF OTHER REVISIONS IN THEIR BID PROPOSAL ON AN INFORMAL BASIS.

3. EXIMBANK VIEWS AMENDED FINANCING PLAN AS COMPETITIVE WITH THAT OFFERED BY MITSUBISHI (JAPAN) AND SUPERIOR TO KRAFTWERKE UNION (GERMANY). HOWEVER, A DISPARITY CONTINUES TO EXIST BETWEEN FOREIGN SUPPLIER FINANCING OFFERS AND THOSE BEING OFFICIALLY SUPPORTED BY FOREIGN EXPORT CREDIT AGENCIES. SPECIFICALLY, THE 10 YEAR REPAYMENT TERM BEING OFFERED BY KRAFTWERKE UNION IS NOT REPEAT NOT BEING OFFICIALLY SUPPORTED BY HERMESKREDIT (GERMAN EXPORT CREDIT AGENCY) WHICH INFORMS EXIMBANK THAT IT HAS APPROVED SUPPORT FOR AN 8 YEAR REPAYMENT TERM. ALSO, IT IS ALLEGED THAT MITSUBISHI HAS OFFERED COMPLETE WAIVER OF INTEREST DURING CONSTRUCTION ALTHOUGH MITI (OFFICIAL JAPANESE EXPORT CREDIT AGENCY) CONTINUES TO INDICATE NO COMMITMENT ON TRANSACTION AND NO KNOWLEDGE OF CAPITALIZATION OR WAIVER OF INTEREST DURING CONSTRUCTION. EMBASSY SHOULD BE AWARE OF THESE UNRESOLVED ISSUES.

4. EXIMBANK WILL KEEP YOU INFORMED. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, INVESTMENT GUARANTEES, PROPOSALS (BID), INTEREST RATES, ELECTRIC GENERATORS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation Codes:
Litigation History:
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Review Date: 12-Jan-2005 12:00:00 am
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Review Exemptions: n/a
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TAGS: EGEN, EFIN, CO, XMB, WESTINGHOUSE ELECTRIC CORP, CORP ELECTRICA DE LA COSTA ATLANTIC
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